

**STATE SENATOR • JIM BARCIA • 31ST DISTRICT**

# **Barcia Press Release**

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## **BARCIA SUPPORTS LEGISLATION TO RESTRUCTURE P.I.L.T. PAYMENTS**

(LANSING)—State Senator Jim Barcia (D-Bay City) announced his support today for a proposal that would ensure local governments get their fair share of tax payments from the Department of Natural Resources (DNR). As Vice Chair of the Senate Appropriations Subcommittee on Natural Resources, Senator Barcia supported passage of the departmental budget, which includes a proposal introduced by Senator Michelle McManus (R-Lake Leelanau) to restore full funding of the state's payments in lieu of taxes to local governments. The proposal changes the way the DNR addresses Payments in Lieu of Taxes, or PILT, to make sure they are able to meet their tax obligations and pay the local communities.

"Reducing PILT payments will really hurt Huron, Sanilac and Tuscola counties, as well as the school districts and townships in those areas that depend on that tax revenue to provide essential services," said Barcia. "The McManus proposal would restructure the collection process and allow local communities to maintain funding for their operating budgets."

Among other things, the legislation will freeze all PILT obligations at their current levels, exempt the DNR from paying the state education tax on the land it owns, and allow local townships and counties to forgive the tax obligation of the DNR in future land sale negotiations.

Under the current system, the DNR is required to pay taxes on all land purchased after 1933. The fee is determined by the current assessed value of the property and is billed twice per year. The present budget proposal calls for PILT fees to be set at a \$2 per acre flat fee on all land owned by the DNR. In some communities, this would result in a large loss of tax revenues.

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“I certainly understand the difficulty the DNR has experienced in making its tax payments because of under-funding over the past few years,” said Barcia. “However, we need to find a way to help them meet their obligation without impacting the revenue our local governments depend on. I think this legislation is a step in the right direction.”

State Senator Jim Barcia represents the 31<sup>st</sup> Senate District, which includes Arenac, Bay, Huron, Sanilac, and Tuscola counties.

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